

4/3/19

4:16 P.M.

Chapter No. 931
19/HR43/R661CS
CST/LL

HOUSE BILL NO. 1565

Originated in House



Clerk

HOUSE BILL NO. 1565

AN ACT TO AUTHORIZE THE GOVERNING AUTHORITIES OF THE CITY OF STARKVILLE, MISSISSIPPI, TO LEVY AN ADDITIONAL SALES TAX OF NOT MORE THAN 1% ON THE GROSS SALES OF HOTEL AND MOTELS DERIVED FROM ROOM RENTALS AND UPON THE GROSS PROCEEDS OF SALES OF RESTAURANTS FOR THE PURPOSE OF PROVIDING FUNDS TO CONSTRUCT, FINANCE, OPERATE, EQUIP, LEASE AND MAINTAIN NEW SPORTS TOURNAMENT AND RECREATIONAL FACILITIES AND IMPROVE EXISTING SPORTS AND RECREATIONAL FACILITIES; TO PROVIDE FOR AN ELECTION ON WHETHER THE TAX MAY BE LEVIED; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. As used in this act, the following terms shall have the following meanings unless a different meaning is clearly indicated by the context in which they are used:

(a) "City" means the City of Starkville, Mississippi.

(b) "Governing authorities" means the governing authorities of the City of Starkville, Mississippi.

(c) "Hotel" or "motel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging or sleeping purposes to transient guests.

(d) "Restaurant" means all places where prepared food and beverages are sold for consumption, whether such food and beverages are sold for consumption on the premises or not. The term "restaurant" does not include any school, hospital, convalescent or nursing home, or any restaurant-like facility operated by or in connection with a school, hospital, medical clinic, convalescent or nursing home providing food for students, patients, visitors or their families.

SECTION 2. (1) For the purpose of providing funds to acquire real property and constructing, equipping, owning, operating, leasing, furnishing, maintaining and marketing new and existing sports tournament and recreational facilities and for related purposes, and/or pay the principal of and interest on bonds issued on the indebtedness incurred under Section 5 of this act, the governing authorities are authorized, in their discretion, to levy and collect from the following persons a tax, which shall be in addition to all of the taxes and assessments imposed. The tax shall be imposed on the following persons:

(a) A tax upon every person, firm or corporation operating a motel or hotel in the City of Starkville, Mississippi, at a rate not to exceed one percent (1%) of the gross proceeds of room rentals for each such hotel or motel.

(b) A tax upon every person, firm or corporation operating a restaurant in the City of Starkville, Mississippi, at a rate not to exceed one percent (1%) of the gross proceeds of the

sales of the restaurant derived from retail sale of prepared food, alcoholic and nonalcoholic beverages.

(2) (a) The tax rate levied pursuant to subsection (1) of this section when combined with the state sales tax rate and any other tax rate levied by the city or Oktibbeha County, Mississippi, pursuant to local and private legislation, shall not exceed a ten percent (10%) tax rate upon the gross proceeds of room rentals of hotels and motels or a ten percent (10%) tax rate on the gross proceeds of sales of restaurants.

(b) Nothing in this act shall be construed to prohibit the city from lowering the tax rate levied pursuant to Chapter No. 854, Senate Bill 2792 (1986) and Chapter 950, Local and Private laws of 1994, as last amended by Senate Bill 3012 (2018).

(3) Persons, firms or corporations liable for the tax imposed under subsection (1) of this section shall add the amount of the levy to the sales price of the rooms and products set out in subsection (1) of this section and shall collect the amount of the tax due by them from the person receiving the services or product at the time of payment therefore.

(4) The tax shall be collected by and paid to the Department of Revenue on a form prescribed by the Department of Revenue in the manner that state sales taxes are computed, collected and paid; and full enforcement provisions and all other provisions of Chapter 65, Title 27, Mississippi Code of 1972, shall apply as necessary to the implementation and administration of this act.

(5) The proceeds of the tax, less three percent (3%) thereof which shall be retained by the Department of Revenue to defray the cost of collection, shall be paid to the governing authorities on or before the fifteenth day of the month following the month in which collected.

(6) The proceeds of the tax shall not be considered by the City of Starkville, Mississippi, as general fund revenues but shall be dedicated to and expended solely for the purposes specified in this section.

SECTION 3. Before any tax authorized under this act may be imposed, the governing authorities shall adopt a resolution declaring their intention to levy the tax, setting forth the amount of the tax to be imposed, the date upon which the tax shall become effective and calling for an election to be held on the question. The date of the election shall be fixed in the resolution. Notice of such intention and the election shall be published once each week for at least three (3) consecutive weeks in a newspaper published or having a general circulation in the City of Starkville, Mississippi, with the first publication of the notice to be made not less than twenty-one (21) days before the date fixed in the resolution for the election and the last publication to be made not more than seven (7) days before the election. At the election, all qualified electors of the City of Starkville may vote, and the ballots used in the election shall have printed thereon a brief statement of the amount and purposes

of the proposed tax levy and the words "FOR THE TAX" and, on a separate line, "AGAINST THE TAX" and the voters shall vote by placing a cross (X) or check (✓) opposite their choice on the proposition. When the results of the election shall have been canvassed and certified, the city may levy the tax if sixty percent (60%) of the qualified electors who vote in the election vote in favor of the tax. At least thirty (30) days before the effective date of the tax provided in this section, the governing authorities shall furnish to the Department of Revenue a certified copy of the resolution evidencing the tax.

SECTION 4. Accounting for receipts and expenditures of the fund herein described shall be made separately from the accounting of receipts and expenditures of the general fund and any other funds of the City of Starkville, Mississippi. The records reflecting the receipts and expenditures of the funds prescribed in this act shall be audited annually by an independent certified public accountant, and the accountant shall make a written report of his audit to the governing authorities. The audit shall be made and completed as soon as practicable after the close of the fiscal year, and expenses of the audit shall be paid from the funds derived in accordance with this act.

SECTION 5. (1) For the purposes of providing funds to pay costs associated with acquiring real property and constructing, equipping, owning, operating, leasing, furnishing, maintaining and marketing new and existing sports tournament and recreational

facilities and for related purposes described in Section 2(1) of this act, the governing authorities are authorized to issue general obligation bonds of the municipality or incur other indebtedness in an aggregate principal amount that is not in excess of an amount for which debt service is capable of being funded by the proceeds of the special sales tax levied under this act.

(2) Except as otherwise provided in this section, bonds issued under this section shall be issued in accordance with the provisions of Sections 21-33-301 through 21-33-329, and Sections 31-25-1 through 31-25-107, Mississippi Code of 1972, or as allowed by other applicable law. Bonds authorized to be issued under this section shall not be included in the limitation on indebtedness imposed in Section 21-33-303, Mississippi Code of 1972, or any other limitation on indebtedness of the city. Bonds issued under the provisions of this section and income therefrom shall be exempt from all taxation in the State of Mississippi.

SECTION 6. The governing authorities are authorized and empowered, if necessary and in their discretion to lease city-owned property for a term not to exceed twenty (20) years for a nominal fee for the construction, operation and maintenance of new sports tournament and recreational facilities and existing sports and recreational facilities. The governing authorities are further authorized to lease the city-owned property back for a term not to exceed twenty (20) years for a negotiated fee which

after such time the city shall own the sports complex free and clear.

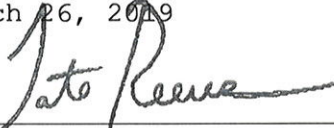
SECTION 7. Sections 1 through 4 of this act shall be repealed from and after July 1, 2029, with such time frame to allow sufficient time to service the debt outlined in Section 5 of this act.

SECTION 8. This act shall take effect and be in force from and after its passage.

PASSED BY THE HOUSE OF REPRESENTATIVES
March 7, 2019


SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 26, 2019


PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR


GOVERNOR

4/3/19

4:16pm